

FILE BR

# United States District Court

## Eastern District of North Carolina - Western Division

UNITED STATES OF AMERICA

v.

Louis Michael Lazowitz

### JUDGMENT IN A CRIMINAL CASE

(For Offenses Committed On or After November 1, 1987)

Case Number: 5:04CR00161-001

William W. Webb, Jr. & William W. Webb, Sr.

Defendant's Attorney

#### THE DEFENDANT:

☒ pleaded guilty to count(s) 1 thru 3 Amended Information

☐ pleaded nolo contendere to count(s) \_\_\_\_\_  
which was accepted by the court.

☐ was found guilty on count(s) \_\_\_\_\_  
after a plea of not guilty.

<u>Title &amp; Section</u>	<u>Nature of Offense</u>	<u>Date Offense Concluded</u>	<u>Count Number(s)</u>
18 U.S.C. § 371	conspiracy to commit mail fraud, wire fraud and securities fraud	03/31/2001	1
15 U.S.C. § 77 q(a) & x	securities fraud and aiding and abetting - 18:2	03/31/2001	2
18 U.S.C. § 1956 (h)	conspiracy to commit money laundering - 18:1956(a)(1)(A)(i) and (a)(1)(B)(i)	03/31/2001	3

The defendant is sentenced as provided in pages 2 through 7 of this judgment. The sentence is imposed pursuant to the Sentencing Reform Act of 1984.

☐ The defendant has been found not guilty on count(s) \_\_\_\_\_

☒ Count(s) Original Information is dismissed on the motion of the United States.

IT IS FURTHER ORDERED that the defendant shall notify the United States Attorney for this district within 30 days of any change of name, residence, or mailing address until all fines, restitution, costs, and special assessments imposed by this judgment are fully paid.

Defendant's Soc. Sec. No.: \_\_\_\_\_

Defendant's Date of Birth: \_\_\_\_\_

Defendant's USM No.: 21578-056

Defendant's Residence Address: \_\_\_\_\_

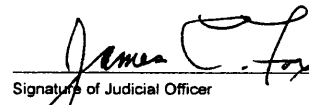
Wilmington NC

Defendant's Mailing Address: \_\_\_\_\_

Wilmington NC

09/28/2004

Date of Imposition of Judgment



Signature of Judicial Officer

JAMES C. FOX

UNITED STATES DISTRICT JUDGE

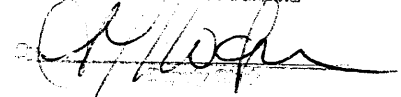
Name & Title of Judicial Officer

9-28-04

Date

I certify the foregoing to be a true and correct copy of the original.

United States District Court  
Eastern District of North Carolina



DEFENDANT: Louis Michael Lazorwitz  
CASE NUMBER: 5:04CR00161-001

## IMPRISONMENT

The defendant is hereby committed to the custody of the United States Bureau of Prisons to be imprisoned for a total term of 300 month(s).

See Additional Imprisonment Terms - Page 3

☐ The court makes the following recommendations to the Bureau of Prisons:

☒ The defendant is remanded to the custody of the United States Marshal.

☐ The defendant shall surrender to the United States Marshal for this district:

☐ at \_\_\_\_\_ a.m./p.m. on \_\_\_\_\_.

☐ as notified by the United States Marshal.

☐ The defendant shall surrender for service of sentence at the institution designated by the Bureau of Prisons:

☐ before 2 p.m. on \_\_\_\_\_.

☐ as notified by the United States Marshal.

☐ as notified by the Probation or Pretrial Services Office.

## RETURN

I have executed this judgment as follows:

Defendant delivered on \_\_\_\_\_ to \_\_\_\_\_

at \_\_\_\_\_, with a certified copy of this judgment.

UNITED STATES MARSHAL

By \_\_\_\_\_

Deputy U.S. Marshal

DEFENDANT: Louis Michael Lazorwitz

CASE NUMBER: 5:04CR00161-001

## ADDITIONAL IMPRISONMENT TERMS

Ct. 1 - 60 months to run consecutive to sentence in Ct. 3

Ct. 2 - 60 months to run concurrently with the sentences on Ct. 1 & 3

Ct. 3 - 240 months to run consecutive to sentence in Ct. 1

This sentence constitutes both the Sentencing Guidelines Sentence, and the Alternative Sentence pursuant to 18:3553(a), as directed by the Fourth Circuit Court of Appeals in United States v. Hammoud, 378 F.3d 426(4th Cir.Aug.2,2004).

The 300 month (Ct.1- 60 month sentence to run consecutive to sentence in Ct.3; Ct.2-60 month sentence to run concurrently with the sentences in Ct. 1 & 3; and Ct.3-240 months to run consecutive to sentence in Ct.1) Alternative Sentence is imposed pursuant to 18:371, 15:77q(a) & 77x & 18:2 and 18:1956(h), as well as 18:3553(a), 3013(a)(2)(A), 3551, 3561,3559(a),3571,3572,3583, and 3661.

DEFENDANT: Louis Michael Lazorwitz  
CASE NUMBER: 5:04CR00161-001

## SUPERVISED RELEASE

Upon release from imprisonment, the defendant shall be on supervised release for a term of 3 year(s).

Cts. 1 thru 3 - 3 yrs. each count to run concurrently with each other

The Alternative Sentence consists of 3 years supervised release on each of Cts. 1 thru 3 to run concurrently with each other.

The defendant shall report to the probation office in the district to which the defendant is released within 72 hours of release from the custody of the Bureau of Prisons.

The defendant shall not commit another federal, state, or local crime.

The defendant shall not illegally possess a controlled substance.

*For offenses committed on or after September 13, 1994:*

The defendant shall refrain from any unlawful use of a controlled substance. The defendant shall submit to one drug test within 15 days of release from imprisonment and at least two periodic drug tests thereafter, as directed by the probation officer.

☒ The above drug testing condition is suspended based on the court's determination that the defendant poses a low risk of future substance abuse. (Check, if applicable.)

☒ The defendant shall not possess a firearm as defined in 18 U.S.C. § 921. (Check, if applicable.)

If this judgment imposes a fine or a restitution obligation, it shall be a condition of supervised release that the defendant pay any such fine or restitution that remains unpaid at the commencement of the term of supervised release in accordance with the Schedule of Payments set forth in the Criminal Monetary Penalties sheet of this judgment.

The defendant shall comply with the standard conditions that have been adopted by this court (set forth below). The defendant shall also comply with the additional conditions on the attached page (if indicated below).

See Special Conditions of Supervision - Page 5

## STANDARD CONDITIONS OF SUPERVISION

- 1) the defendant shall not leave the judicial district without the permission of the court or probation officer;
- 2) the defendant shall report to the probation officer and shall submit a truthful and complete written report within the first five days of each month;
- 3) the defendant shall answer truthfully all inquiries by the probation officer and follow the instructions of the probation officer;
- 4) the defendant shall support his or her dependents and meet other family responsibilities;
- 5) the defendant shall work regularly at a lawful occupation unless excused by the probation officer for schooling, training, or other acceptable reasons;
- 6) the defendant shall notify the probation officer ten days prior to any change in residence or employment;
- 7) the defendant shall refrain from excessive use of alcohol;
- 8) the defendant shall not frequent places where controlled substances are illegally sold, used, distributed, or administered;
- 9) the defendant shall not associate with any persons engaged in criminal activity, and shall not associate with any person convicted of a felony unless granted permission to do so by the probation officer;
- 10) the defendant shall permit a probation officer to visit him or her at any time at home or elsewhere and shall permit confiscation of any contraband observed in plain view of the probation officer;
- 11) the defendant shall notify the probation officer within seventy-two hours of being arrested or questioned by a law enforcement officer;
- 12) the defendant shall not enter into any agreement to act as an informer or a special agent of a law enforcement agency without the permission of the court;
- 13) as directed by the probation officer, the defendant shall notify third parties of risks that may be occasioned by the defendant's criminal record or personal history or characteristics, and shall permit the probation officer to make such notifications and to confirm the defendant's compliance with such notification requirement.

DEFENDANT: Louis Michael Lazorwitz

CASE NUMBER: 5:04CR00161-001

### **SPECIAL CONDITIONS OF SUPERVISION**

The defendant shall not incur new credit charges or open additional lines of credit without the approval of the probation office.

The defendant shall provide the probation office with access to any requested financial information.

The defendant shall consent to a warrantless search by a United States probation officer or, at the request of the probation officer, any other law enforcement officer, of the defendant's person and premises, including any vehicle, to determine compliance with the conditions of this judgment.

The defendant shall file amended personal income tax returns as outlined in the Plea Agreement.

DEFENDANT: **Louis Michael Lazorwitz**CASE NUMBER: **5:04CR00161-001****CRIMINAL MONETARY PENALTIES**

The defendant shall pay the following total criminal monetary penalties in accordance with the schedule of payments set forth on Sheet 5, Part B.

	<u>Assessment</u>	<u>Fine</u>	<u>Restitution</u>
<b>Totals:</b>	\$ 300.00	\$	\$

☐ If applicable, restitution amount ordered pursuant to plea agreement . . . . . \$ \_\_\_\_\_

**FINE**

The above fine includes costs of incarceration and/or supervision in the amount of \$ \_\_\_\_\_.

The defendant shall pay interest on any fine of more than \$2,500, unless the fine is paid in full before the fifteenth day after the date of judgment, pursuant to 18 U.S.C. § 3612(f). All of the payment options on Sheet 5, Part B may be subject to penalties for default and delinquency pursuant to 18 U.S.C. § 3612(g).

- ☐ The court determined that the defendant does not have the ability to pay interest and it is ordered that:
- ☐ The interest requirement is waived.
- ☐ The interest requirement is modified as follows:

**RESTITUTION**

☐ The determination of restitution is deferred in a case brought under Chapters 109A, 110, 110A and 113A of Title 18 for offenses committed on or after 09/13/1994, until \_\_\_\_\_. An Amended Judgment in a Criminal Case will be entered after such determination.

☐ The defendant shall make restitution to the following payees in the amounts listed below.

If the defendant makes a partial payment, each payee shall receive an approximately proportional payment unless specified otherwise in the priority order or percentage payment column below.

<u>Name of Payee</u>	<u>** Total Amount of Loss</u>	<u>Amount of Restitution Ordered</u>	<u>Priority Order or Percentage of Payment</u>
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**Totals:** \$ \_\_\_\_\_ \$ \_\_\_\_\_

\*\* Findings for the total amount of losses are required under Chapters 109A, 110, 110A, and 113A of Title 18 for offenses committed on or after September 13, 1994.

DEFENDANT: **Louis Michael Lazorwitz**CASE NUMBER: **5:04CR00161-001****SCHEDULE OF PAYMENTS**

Payments shall be applied in the following order: (1) assessment; (2) restitution; (3) fine principal; (4) cost of prosecution; (5) interest; (6) penalties.

Payment of the total fine and other criminal monetary penalties shall be due as follows:

- A ☐ See special instructions below
- B ☒ \$ 300.00 immediately, balance due (in accordance with C, D, or E); or
- C ☐ not later than \_\_\_\_\_; or
- D ☐ in installments to commence \_\_\_\_\_ day(s) after the date of this judgment. In the event the entire amount of criminal monetary penalties imposed is not paid prior to the commencement of supervision, the U.S. probation officer shall pursue collection of the amount due, and shall request the court to establish a payment schedule if appropriate; or
- E ☐ in \_\_\_\_\_ (e.g. equal, weekly, monthly, quarterly) installments of \$ \_\_\_\_\_ over a period of \_\_\_\_\_ year(s) to commence \_\_\_\_\_ day(s) after the date of this judgment.

The defendant will be credited for all payments previously made toward any criminal monetary penalties imposed.

Special instructions regarding the payment of criminal monetary penalties:

The court finds the amount of restitution on this date to be \$5,250,561.00, however, in order for the government to identify additional victims and additional restitution it will reserve final determination on the amount of restitution in this case until Monday, December 13, 2004 at 9 A.M., at which time a hearing will be held and an amended judgment entered by the Court. The defendant paid \$5,000.00 toward his restitution on 9/28/04.

☒ Joint and Several  
Case Number

(including Defendant Number)

Defendant Name

Joint and Several  
Amount

5:03CR00314-2F

Jackie Dobson Pritchett

\$721,333.00

5:03CR00314-1F

James Charles Reives

\$721,333.00

☐ The defendant shall pay the cost of prosecution.

☒ The defendant shall forfeit the defendant's interest in the following property to the United States:

A Preliminary Order of Forfeiture was filed on 6/22/04 and an Amended Preliminary Order of Forfeiture was filed on 9/20/04.

Unless the court has expressly ordered otherwise in the special instructions above, if this judgment imposes a period of imprisonment payment of criminal monetary penalties shall be due during the period of imprisonment. All criminal monetary penalty payments are to be made to the Clerk, U.S. District Court, Attn: Financial Unit, Post Office Box 25670, Raleigh, NC 27611, except those payments made through the Bureau of Prisons' Inmate Financial Responsibility Program.

DEFENDANT: LOUIS MICHAEL LAZORWITZ  
CASE NUMBER: 5:04CR00161-1F  
DISTRICT: EASTERN DISTRICT OF NORTH CAROLINA - WESTERN DIVISION

**STATEMENT OF REASONS**  
**(Not for Public Disclosure)**

☒ **THE COURT ADOPTS THE PRESENTENCE REPORT AND GUIDELINE APPLICATIONS WITHOUT CHANGE.**

**OR**

☐ **THE COURT ADOPTS THE PRESENTENCE REPORT AND GUIDELINE APPLICATIONS BUT WITH THESE CHANGES:** (Use Page 3, if necessary.)

☐ **Chapter Two of the U.S.S.G. Manual** determinations by court (including changes to base offense level or specific offense characteristics):

☐ **Chapter Three of the U.S.S.G. Manual** adjustment determinations by court (including changes to victim-related adjustments, role in the offense, obstruction of justice, multiple counts, or acceptance of responsibility):

☐ **Chapter Four of the U.S.S.G. Manual** determinations by court (including changes to criminal history category or scores, career offender, or criminal livelihood determinations):

☐ **THE COURT ADOPTS THE PRESENTENCE REPORT WITH THESE COMMENTS OR FINDINGS** (including comments or factual findings concerning certain information in the presentence report that the Federal Bureau of Prisons may rely on when it makes inmate classification, designation, or programming decisions. Specify court comments or findings, including paragraphs in the presentence report.) (Use Page 3, if necessary.)

**GUIDELINE RANGE DETERMINED BY THE COURT (BEFORE DEPARTURES):**

Total Offense Level: 39

Criminal History Category: I

Imprisonment Range: CTS 1&2=60 mos. to Ct.3=240 mos months

Supervised Release Range: 2 to 3 years

Fine Range: \$ 25,000.00 to \$ 40,690,000.00

☒ Fine waived or below the guideline range because of inability to pay.

☒ **THE SENTENCE IS WITHIN THE GUIDELINE RANGE, THAT RANGE DOES NOT EXCEED 24 MONTHS, AND THE COURT FINDS NO REASON TO DEPART.**

**OR**

☐ **THE SENTENCE IS WITHIN A GUIDELINE RANGE, THAT RANGE EXCEEDS 24 MONTHS, AND THE SPECIFIC SENTENCE IS IMPOSED FOR THESE REASONS:** (Use Page 3, if necessary.)

DEFENDANT: LOUIS MICHAEL LAZORWITZ  
CASE NUMBER: 5:04CR00161-1F  
DISTRICT: EASTERN DISTRICT OF NORTH CAROLINA - WESTERN DIVISION

STATEMENT OF REASONS  
(Not for Public Disclosure)

RESTITUTION DETERMINATIONS

Total Amount of Restitution: \$ Determination to be made on 12/13/04

- ☐ For offenses for which restitution is otherwise mandatory under 18 U.S.C. § 3663A, restitution is not ordered because the number of identifiable victims is so large as to make restitution impracticable under 18 U.S.C. § 3663A(c)(3)(A).
- ☐ For offenses for which restitution is otherwise mandatory under 18 U.S.C. § 3663A, restitution is not ordered because determining complex issues of fact and relating them to the cause or amount of the victims' losses would complicate or prolong the sentencing process to a degree that the need to provide restitution to any victim would be outweighed by the burden on the sentencing process under 18 U.S.C. § 3663A(c)(3)(B).
- ☐ For other offenses for which restitution is authorized under 18 U.S.C. § 3663 and/or required by the sentencing guidelines, restitution is not ordered because the complication and prolongation of the sentencing process resulting from the fashioning of a restitution order outweigh the need to provide restitution to any victims under 18 U.S.C. § 3663(a)(1)(B)(ii).

Restitution is not ordered for other reasons:

- ☐ Partial restitution is ordered under 18 U.S.C. § 3663(c) for these reasons:

DEPARTURE (Check all that apply)

- ☐ The sentence departs below the guideline range for the following reasons; or
- ☐ The sentence departs above the guideline range for the following reasons:

Pursuant to a Plea Agreement

- ☐ based on 5K1.1 motion of the government based on the defendant's substantial assistance;
- ☐ based on a government motion pursuant to an early disposition program;
- ☐ based on a binding plea agreement for departure which the court has accepted (cite below reason, if applicable);
- ☐ based on a plea agreement which cites the below reason for departure, which the court finds to be justified; or
- ☐ based on a plea agreement which states that the government will not oppose a defense departure motion and cites the below reason.

Pursuant to a Motion Not Addressed in a Plea Agreement

- pursuant to a 5K1.1 motion of the government based on the defendant's substantial assistance;
- ☐ pursuant to a government motion based on the below reason for departure; or
- ☐ pursuant to a defense motion based on the below reason for departure to which the government has not objected; or
- ☐ pursuant to a defense motion based on the below reason for departure to which the government has objected.
- ☐ Other than plea agreement or motion by the parties based on the below reason for departure.

Reason(s) for Departure

- |   |   |  |
|---|---|--|
| <input type="checkbox"/> 4A1.3 Criminal History Adequacy (explain)  | <input type="checkbox"/> 5K2.8 Extreme Conduct      | <input type="checkbox"/> 5K2.16 Voluntary Disclosure of Offense        |
| <input type="checkbox"/> 5K2.0 Aggravating or Mitigating Circumstances (explain):   | <input type="checkbox"/> 5K2.9 Criminal Purpose     | <input type="checkbox"/> 5K2.17 High-Capacity Semiautomatic Firearm    |
| <input type="checkbox"/> 5K2.1 Death  | <input type="checkbox"/> 5K2.10 Victim's Conduct    | <input type="checkbox"/> 5K2.18 Violent Street Gang                    |
| <input type="checkbox"/> 5K2.2 Physical Injury  | <input type="checkbox"/> 5K2.11 Lesser Harm         | <input type="checkbox"/> 5K2.20 Aberrant Behavior                      |
| <input type="checkbox"/> 5K2.3 Extreme Psychological Injury   | <input type="checkbox"/> 5K2.12 Coercion and Duress | <input type="checkbox"/> 5K2.21 Dismissed and Uncharged Conduct        |
| <input type="checkbox"/> 5K2.4 Abduction or Unlawful Restraint  | <input type="checkbox"/> 5K2.13 Diminished Capacity | <input type="checkbox"/> 5K2.22 Age or Health of Sex Offenders         |
| <input type="checkbox"/> 5K2.5 Property Damage or Loss  | <input type="checkbox"/> 5K2.14 Public Welfare      | <input type="checkbox"/> 5K2.23 Discharged Terms of Imprisonment       |
| <input type="checkbox"/> 5K2.6 Weapons and Dangerous Instruments  |   | <input type="checkbox"/> 5K3.1 Early Disposition, "fast-track" Program |
| <input type="checkbox"/> 5K2.7 Disruption of Government Function  |   |  |
| <input type="checkbox"/> Other (e.g., 2B1.1 commentary, 5H1.1-5H1.6 or 5H1.11)(explain and state guideline and/or statutory basis). (Use Page 3, if necessary.) |   |  |

DEFENDANT: LOUIS MICHAEL LAZORWITZ  
CASE NUMBER: 5:04CR00161-1F  
DISTRICT: EASTERN DISTRICT OF NORTH CAROLINA - WESTERN DIVISION

**STATEMENT OF REASONS**  
**(Not for Public Disclosure)**

**ADDITIONAL PRESENTENCE REPORT AND GUIDELINE APPLICATION CHANGES**  
(If necessary.)

**SPECIFIC SENTENCE IS IMPOSED FOR THESE REASONS**  
(If necessary.)

**ADDITIONAL COMMENTS OR FINDINGS CONCERNING INFORMATION IN PRESENTENCE REPORT**  
(If necessary.)

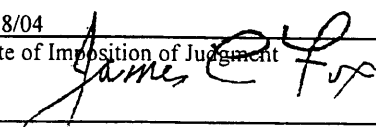
**ADDITIONAL REASONS FOR DEPARTING FROM THE GUIDELINE RANGE**  
(If necessary.)

Defendant's Soc. Sec. No.: 154-36-5821  
Defendant's Date of Birth: 8/20/46

Defendant's Residence Address: 16422 Clearcrest Dr.

9/28/04

Date of Imposition of Judgment

  
Signature of Judge

Houston, TX 77059

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Defendant's Mailing Address : 16422 Clearcrest Dr.

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Houston, TX 77059

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JAMES C. FOX -UNITED STATES DISTRICT JUDGE

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Name and Title of Judge

9/28/04

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Date Signed